

Village of Salado

ORDINANCE NO. 2020-10

Economic Development Program

AN ORDINANCE OF THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS, ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM UNDER CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE FOR BUSINESSES IMPACTED BY THE COVID-19 PANDEMIC TO PROMOTE NEW OR EXPANDED BUSINESS DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE VILLAGE; REPEALING ANY ORDINANCE IN CONFLICT THEREWITH; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

- WHEREAS,** pursuant to Texas Local Government Code Section 51.032, the Board of Aldermen of the Village of Salado (“Board of Aldermen”) is authorized by law to adopt an ordinance, not inconsistent with state law, that it considers proper for the government of the Village; and
- WHEREAS,** the novel coronavirus (COVID-19) is contagious and spreads through person-to-person contact, especially in group settings; and
- WHEREAS,** the Centers on Disease Control and Prevention (“CDC”) recommends an “All of Community” approach focused on slowing the transmission of COVID-19 through social distancing to reduce illness and death, while minimizing social and economic impacts; and
- WHEREAS,** on March 13, 2020, a Declaration of State of Disaster was issued by Governor Abbott to take additional steps to prepare for, respond to, and mitigate the spread of COVID-19 to protect the health and welfare of Texans; and
- WHEREAS,** President Donald Trump declared a State of National Emergency for the United States of America on March 13, 2020, in response to the spread of COVID-19; and
- WHEREAS,** the COVID-19 National Disaster has caused businesses in Salado, Texas, to temporarily close and/or experience reductions in sales, workforce, capital development and/or business enterprise retractions for all size businesses located within the Village of Salado; and
- WHEREAS,** businesses in the Village of Salado experienced a retraction brought on by the COVID-19 pandemic; and

WHEREAS, the Board of Aldermen finds that such impact has and will continue to be detrimental to the business community in the Village; and

WHEREAS, businesses in the Village desire to expand to the size, enterprise and/or revenue levels experienced by those businesses prior to the retraction brought on by the National Disaster declaration and COVID-19 pandemic crisis; and

WHEREAS, Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code authorize a local government to establish and provide for the administration of one or more programs, for making loans and grants and providing personnel and services of the municipality, to promote state or local economic development and to stimulate businesses and commercial activity within Village limits; and

WHEREAS, the Board of Aldermen recognizes the economic strain the COVID-19 pandemic is causing its local businesses, and desires to establish an economic development program to provide limited financial assistance to business located within the Village limits to promote economic development and stimulate commercial activity; and

WHEREAS, the Board of Aldermen finds that such economic development program will promote a public purpose by aiding those businesses who have suffered financially due to the COVID-19 pandemic by stimulating economic development and recovery, ensuring job retention, promoting job creation, and generating sales tax revenue; and

WHEREAS, providing Salado businesses with these funds will contribute to the Village of Salado by helping businesses expand to the size, enterprise and/or revenue levels experienced by those businesses prior to the National Disaster declaration creating a direct overall improvement/stimulus in the local economy; and

WHEREAS, any agreement between the Village and an applicant pursuant to this Economic Development Program shall ensure that the public interest is protected and that a public benefit is received in exchange for any public funds, assets or services invested by the Village to stimulate economic development in the Village.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS, THAT:

SECTION 1. RECITALS

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

SECTION 2. ECONOMIC DEVELOPMENT PROGRAM

An economic development program under Chapter 380 of the Texas Local Government Code is hereby established (the "Program") in an amount not to exceed \$75,000. The Program will be

entitled “Village of Salado COVID-19 380 Economic Development Program.” The Program will assist small businesses within the Village of Salado during the COVID-19 pandemic by providing limited financial assistance to businesses severely impacted as a result of the stay at home, work safe orders implemented by Governor Abbott and Bell County. The Application, guidelines and criteria for the Economic Development Program and any grant thereunder is attached as *Attachment “A.”* The Application provides the qualifications and eligibility requirements for each grant created under the Economic Development Program. The maximum amount of funds that an Applicant may receive under this Program is equal to the Village’s Sales Tax Receipts for the months of March and April 2020. “Village Sales Tax Receipts” shall mean the Village’s receipts from the State of Texas from the Applicant’s collection of the Village Sales and Use Tax as a result of sale of taxable items by the Applicant consummated in the Village. Grant recipients shall agree (in the application or otherwise) that failure to abide by all the Program terms or grant application terms shall be a breach of this “Village of Salado COVID-19 380 Economic Development Program” and shall require the repayment and recapture of all grant funds within thirty (30) days of demand by the Village.

SECTION 3. DISTRIBUTION OF GRANTS

The Village Administrator or designee shall review applications for the Village of Salado COVID-19 380 Economic Development Program for completeness and eligibility. The Village Administrator or designee may grant or deny applications at his or her discretion.

SECTION 4. VILLAGE ADMINISTRATOR AUTHORITY

The Village Administrator of the Village of Salado, Texas, is directed to implement guidelines for this Economic Development Program and is authorized to make Economic Development Grants that comply with the Program requirements.

SECTION 5. REPEALER

Any ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated herein.

SECTION 6. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

SECTION 7. EFFECTIVE DATE

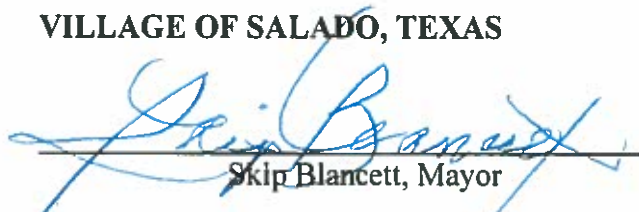
This Ordinance shall be effective immediately upon its passage and publication as required by law.

SECTION 8. PROPER NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by law.

PASSED & APPROVED this 21st day of May 2020, by 4 Ayes to 0 Nays to 0 Abstentions of the Board of Aldermen of the Village of Salado, Texas.

VILLAGE OF SALADO, TEXAS


Skip Blancett, Mayor

ATTEST:


Cara McPartland, Village Secretary



**APPLICATION FOR GRANT FUNDING UNDER
THE VILLAGE OF SALADO COVID-19 380
ECONOMIC DEVELOPMENT PROGRAM**

I, _____, (hereinafter "Applicant") owner of _____, a qualifying business in Salado, Texas, as described below, do submit this application for grant funding under the Village of Salado COVID-19 380 Economic Development Program, a grant program designed by the Village of Salado, Texas, a Type A General Law Municipality located in Bell County, Texas (the "Village"), on the _____ day of _____ 2020.

RECITALS

WHEREAS, pursuant to Texas Local Government Code Section 51.032, the Board of Aldermen of the Village of Salado ("Board of Aldermen") is authorized by law to adopt an ordinance, not inconsistent with state law, that it considers proper for the government of the Village; and

WHEREAS, the novel coronavirus (COVID-19) is contagious and spreads through person-to-person contact, especially in group settings; and

WHEREAS, the Centers on Disease Control and Prevention ("CDC") recommends an "All of Community" approach focused on slowing the transmission of COVID-19 through social distancing to reduce illness and death, while minimizing social and economic impacts; and

WHEREAS, on March 13, 2020, a Declaration of State of Disaster was issued by Governor Abbott to take additional steps to prepare for, respond to, and mitigate the spread of COVID-19 to protect the health and welfare of Texans; and

WHEREAS, President Donald Trump declared a State of National Emergency for the United States of America on March 13, 2020, in response to the spread of COVID-19; and

WHEREAS, the COVID-19 National Disaster has caused businesses in Salado, Texas, to temporarily close and/or experience reductions in sales, workforce, capital development and/or business enterprise retractions for all size businesses located within the Village of Salado; and

WHEREAS, businesses in the Village of Salado experienced a retraction brought on by the COVID-19 pandemic; and

WHEREAS, on May 21, 2020, the Board of Aldermen authorized the Village of Salado COVID-19 380 Economic Development Program (the "Program"), a local economic

development program authorized under Chapter 380 of the Texas Local Government Code, attached as Exhibit A, to help reduce the resulting economic strain on local businesses.

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Village and Applicant agree as follows:

I. AGREEMENT

A. The Village of Salado, Texas (the "Village"), may provide Applicant a grant under the Village of Salado COVID-19 380 Economic Development Program (the "Program").

B. Criteria: To be considered for a grant, the Applicant must have experienced severe economic impact due to the COVID-19 pandemic and shall:

1. Be located in the corporate limits of the Village of Salado;
2. Have been operating in the Village of Salado for at least six (6) months prior to the date of the application;
3. Not be indebted to the Village of Salado;
4. Be registered with the Texas Comptroller's Office as a sales tax revenue generating business from the Village of Salado;
5. Be current on sales tax remittance;
6. Be authorized to do business and be in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America; and
7. Be a business that is physically located in the Village that is open to the public and is not a home-based business, national chain, or non-profit.

C. Eligibility and Guidelines: Applicants must submit the following:

1. Proof of Applicant's Ownership of the Business;
2. Three months of estimated lost revenue or other documented loss evidence;
3. Texas Comptroller of Public Account's Sales Tax Receipts for the months of March and April 2020;
4. A copy of a current business license;
5. A copy of driver's license or government-issued identification;
6. A completed and signed W-9; and
7. A completed supplemental application form, attached as *Exhibit "B"*.

D. Applications for a Village of Salado COVID-19 380 Economic Development Program Grant will be evaluated by the Village Administrator or designee for completeness and eligibility. The Village Administrator or designee may grant or deny the application at his or her discretion. Grants shall be awarded on a first-come, first-served basis. Applicants may

submit only one application. The deadline to submit an application is 5 p.m. on September 30, 2020.

E. The maximum amount of funds that an Applicant may receive under this Program is equal to the Village's Sales Tax Receipts for the months of March and April 2020. "Village Sales Tax Receipts" shall mean the Village's receipts from the State of Texas from the Applicant's collection of the Village Sales and Use Tax as a result of sale of taxable items by the Applicant consummated in the Village.

F. Should the Village Administrator or designee approve Applicant's application, the Village Administrator will sign this Application and disburse the amount of grant funds approved by the Village Administrator directly to Applicant.

G. By signing this Application, Applicant agrees to adhere to any terms and conditions established by the Village for the "Village of Salado COVID-19 380 Economic Development Program." Failure by Applicant to timely comply with any performance requirement, duty, or covenant under this Program shall be considered an act of Default and shall give the Village the right to terminate this Agreement and collect one hundred percent (100%) of the Economic Development Grant (the "Recapture Amount"). In the event of Default by the Applicant, the Village shall, as its sole and exclusive remedy for Default, have the right to terminate this Agreement and to recapture one hundred percent (100%) of the Recapture Amount.

H. If Applicant is found to have willfully provided false or misleading information to the Village in this Application, or any attached documentation, Applicant agrees to reimburse the Village in the full amount of any grant(s) awarded and will no longer be eligible for future grants under the Program.

II. GENERAL PROVISIONS

A. Section or Other Headings. Article or other headings contained in this Application are for reference purposes only and shall not affect in any way the meaning or interpretation of this Application.

B. Entire Agreement. This Application and attached Exhibits and documentation contain the entire agreement between the parties with respect to the transactions contemplated herein.

C. Applicable Law. This Application is made and shall be construed under the laws of the State of Texas, and venue shall lie in state courts located in Bell County, Texas.

D. Severability. In the event any provision of this Application is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Application shall not be affected thereby, and it is also the intention of the parties to this Application that in lieu of each clause or provision that is found

to be illegal, invalid, or unenforceable a provision be added to this Application which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

E. No Third-Party Beneficiaries. The Village and Applicant intend that this Application shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary.

F. No Joint Venture. Nothing contained in this Application is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Application does not create a joint enterprise, nor does it appoint any party as an agent of any other party for any purpose whatsoever. Except as otherwise specifically provided herein, no party shall in any way assume any of the liability of any other for acts of any other party or obligation of any other party.

G. Counterparts. This Application may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in the year and as of the date indicated.

VILLAGE OF SALADO, TEXAS

APPLICANT

By: _____
Village Administrator

By: _____
Applicant

Print Name: _____

Print Name: _____

Date: _____

Date: _____

ATTEST:

ATTEST:

Agent of the Village of Salado and
Public Notary Public

Notary

Print Name: _____

Print Name: _____

Date: _____

Date: _____

**SUPPLEMENTAL APPLICATION FOR GRANT FUNDING
UNDER THE VILLAGE OF SALADO COVID-19 380
ECONOMIC DEVELOPMENT PROGRAM**

Name of Applicant: _____

Name of Business: _____

Business Address: _____

Email: _____ Phone: _____

Business Category/NAICS Code: _____ Number of business locations: _____

Name of Business Owner(s): _____

Business Disaster/Interruption Insurance: Y or N (circle)

Business Impacts:

Employees Please describe how many employees you employed prior to the impact; how many you currently have and how many you anticipate in the future as a result of COVID-19.

	Full Time Employees	Part Time Employees
How many did you have on January 1, 2020?		
How many did you have on March 1, 2020?		
How many do you currently have as of application date?		
How many do you anticipate in 30 days from application date?		

Business Revenue Current and anticipated percentage revenue decline related to COVID-19 Impacts.

Current percentage decline in revenue	___ Less than 5% ___ 5-10% ___ 10-25% ___ >25%
Anticipated percentage decline in revenue 30 days from application	___ Less than 5% ___ 5-10% ___ 10-25% ___ >25%
Anticipated percentage decline in revenue 60 days from application	___ Less than 5% ___ 5-10% ___ 10-25% ___ >25%

What are the impacts to your business from COVID-19? Please check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Temporary Business Closure | <input type="checkbox"/> Permanent Business Closure |
| <input type="checkbox"/> Reduced Hours of Operation | <input type="checkbox"/> Employee Layoffs/furloughs |
| <input type="checkbox"/> Restricted access to capital to address costs | <input type="checkbox"/> Revenue decline |
| <input type="checkbox"/> Inability to respond to home delivery | <input type="checkbox"/> Inability to serve customers |
| <input type="checkbox"/> Interrupted supply/deliveries from vendors | <input type="checkbox"/> Decreased customers |
| <input type="checkbox"/> Increased operating costs | <input type="checkbox"/> Other |

Grant Funds:

Please indicate how your business will utilize the grant funding if approved.

- ☐ Rent/Mortgage
- ☐ Employee support (salaries, insurance, paid leave, etc.)
- ☐ Utilities (electricity, phone/internet, etc.)
- ☐ Purchase of supplies to offer alternative business access (curbside pickup, delivery, shipping)
- ☐ Purchase of COVID-19 supplies for business/customer protection/cleaning
- ☐ Additional expenses as a result of increased cost from suppliers or alternate suppliers
- ☐ Other

Briefly describe how your business has been impacted and the intended use of the grant funds. You may include any applicable expense descriptions and associated due dates.

I certify to the best of my knowledge, that:

All the information provided is true and accurate and financial information has not been manipulated to exaggerate the financial duress of this business.

I understand the information submitted in this application may require additional supporting documentation and will be shared with the Village of Salado.

I understand the Village of Salado will not accept and/or evaluate incomplete applications.

I understand the Village Administrator or designee may grant or deny applications at his or her sole discretion. The Village of Salado does not discriminate on the basis of race, color, religion, sex, age, national origin, veteran status, sexual orientation, gender identity, disability, or any other basis of discrimination prohibited by law.

I understand that my business is not entitled to a grant.

Applicant Signature

Date